

Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

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DRAFTED BY XMB:AMOHANIAN

APPROVED BY EB/OCA/REP:JBRABENS

ARA/CAR:CLARK NORTON

EB/IFD/ODF:ROBERT S GELBARD

XMB:WARREN W GLICK

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R 051555Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY KINGSTON

UNCLAS STATE 266895

E.O. 11652: N/A

TAGS: APUB, JM

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO JAMAICA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF DOLS 6 MILLION TO AIR JAMAICA. RELEASE IS
SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M.
PAPERS, WEDNESDAY, DECEMBER 19, 1974.

QUOTE: EXIMBANK CREDIT OF \$6 MILLION SUPPORTS \$20
MILLION SALE OF U.S. JET AIRCRAFT TO JAMAICA

TO HELP FINANCE A \$20 MILLION SALE OF TWO BOEING 727-200 JET
AIRCRAFT, SPARE PARTS, AND RELATED EQUIPMENT TO JAMAICA, THE
BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED
STATES HAS AUTHORIZED A DIRECT CREDIT OF \$6 MILLION TO
FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO
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EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF \$11

MILLION FROM SOURCES NOT YET DESIGNATED WILL FINANCE 55 PERCENT OF THE TOTAL U.S. COSTS OF WHICH 10 PERCENT OR \$2 MILLION WILL BE ELIGIBLE TO BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. THE OBLIGOR, AIR JAMAICA, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 15 PERCENT OR \$3 MILLION.

THE AIRCRAFT ARE SCHEDULED FOR DELIVERY BY THE BOEING COMPANY OF SEATTLE, WASHINGTON, IN SEPTEMBER AND OCTOBER 1975, AND WILL BE USED PRIMARILY ON ROUTES BETWEEN THE U.S. AND JAMAICA.

THE LOANS ARE TO BE REPAYED IN 20 SEMIANNUAL INSTALLMENTS BEGINNING APRIL 15, 1976. EXIMBANK'S DIRECT CREDIT OF \$6 MILLION IS TO BE REPAYED OUT OF THE LAST 8 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10.5 PERCENT TO 10.75 PERCENT PER ANNUM. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED BY THE GOVERNMENT OF JAMAICA. UNQUOTE KISSINGER

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Message Attributes

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